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Cc:

Subject: RE: Green Team Org-MACRS 50%

1. The 5-year property classification under section 168 (MACRS) includes equipment using solar energy that meets the definition of "energy property" in section 48(a)(3)(A). Generally, equipment that uses solar energy to (i) generate electricity, (ii) heat or cool a structure, (iii) provide hot water for use in a structure, or (iv) provide solar process heat, qualifies for the 5-year classification. But, this 5-year classification does not include property used to generate energy for the purposes of heating a swimming pool.

2. The 50-percent additional first year depreciation deduction (bonus depreciation) expired for most property placed in service after 2009. However, yesterday [June 30, 2010], several U.S. senators introduced the Small Business Jobs Act of 2010 and section 2022 of that Act would extend bonus depreciation for one more year. If this legislation is approved, this extension would apply to property placed in service after December 31, 2009, in taxable years beginning after that date. This legislation has not yet been approved by the Senate.